

## Message Text

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PAGE 01 STATE 146971  
ORIGIN L-03

INFO OCT-01 AF-10 ARA-10 EUR-12 EA-07 NEA-10 IO-13  
ISO-00 EB-07 SIG-01 MMO-01 AID-05 TRSE-00 OIC-02  
CIAE-00 INR-07 NSAE-00 OMB-01 PM-04 NSC-05 SP-02  
SS-15 PRS-01 IGA-02 COME-00 DODE-00 /119 R

DRAFTED BY L:MBFELDMAN/IO/ML:JLWASHBURN:SGH  
APPROVED BY L:MBFELDMAN  
EB/IAO:RKAUZLARICH  
IO/IEP:RPOOLE  
IO:CFRANK  
L/EB:SBENSON

-----070925 241303Z /47

R 232314Z JUN 77  
FM SECSTATE WASHDC  
TO AMEMBASSY ADDIS ABABA  
AMEMBASSY ATHENS  
AMEMBASSY BELGRADE  
AMEMBASSY BRASILIA  
AMEMBASSY BUENOS AIRES  
AMEMBASSY COPENHAGEN  
AMEMBASSY DACCA  
AMEMBASSY DAMASCUS  
AMEMBASSY KABUL  
AMEMBASSY KHARTOUM  
AMEMBASSY KIGALI  
AMEMBASSY KINGSTON  
AMEMBASSY KUALA LUMPUR  
AMEMBASSY LA PAZ  
AMEMBASSY LIBREVILLE  
AMEMBASSY LIMA  
AMEMBASSY LISBON  
AMEMBASSY LOME  
AMEMBASSY MANILA  
AMEMBASSY MOGADISCIO  
AMEMBASSY MOSCOW  
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PAGE 02 STATE 146971

AMEMBASSY NAIROBI  
AMEMBASSY NOUAKCHOTT  
AMEMBASSY OUAGADOUGOU  
AMEMBASSY PRAGUE  
AMEMBASSY QUITO  
AMEMBASSY SANA  
AMEMBASSY SOFIA

AMEMBASSY TUNIS  
AMEMBASSY VIENNA  
AMEMBASSY WARSAW  
AMEMBASSY WELLINGTON  
INFO AMEMBASSY BRUSSELS  
USMISSION GENEVA  
USLO PEKING  
USMISSION USUN NEW YORK

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USEEC

E.O. 11652: GDS

TAGS: EGEN, EINV, UN, ECOSOC

SUBJECT: INTERNATIONAL AGREEMENT ON ILLICIT PAYMENTS

REF: (A) STATE 144233; (B) STATE 141733;  
(C) STATE 145005

1. FOLLOWING IS ENGLISH TEXT OF AIDE-MEMOIRE ON ILLICIT  
PRACTICES TO ACCOMPANY REPRESENTATIONS ON THIS SUBJECT  
REQUESTED SEPTEL. FRENCH AND SPANISH VERSIONS OF THIS  
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PAGE 03 STATE 146971

TEXT ARE BEING TRANSMITTED SEPTEL TO APPROPRIATE POSTS.

2. AIDE-MEMOIRE (BEGIN TEXT):

ALL NATIONS HAVE A COMMON INTEREST IN CONTROLLING  
BRIBERY IN CONNECTION WITH INTERNATIONAL COMMERCIAL TRANS-  
ACTIONS. BRIBERY OF PUBLIC OFFICIALS, WHETHER INITIATED  
BY AN OFFICIAL OR SOME ONE WHO WISHES TO BRIBE AN OFFICIAL,  
CORRUPTS POLITICAL AND ECONOMIC INSTITUTIONS, DISTORTS  
INTERNATIONAL TRADE AND INVESTMENT, IMPEDES THE DEVELOP-  
MENT PROCESS, RAISES THE COST OF GOODS AND SERVICES, AND  
BURDENS THE BALANCE OF PAYMENTS OF MANY COUNTRIES WHICH  
ALREADY LACK FOREIGN EXCHANGE. IT CAN ALSO CAUSE PROBLEMS  
IN RELATIONS BETWEEN STATES.

THERE ARE CRIMINAL LAWS IN NEARLY EVERY COUNTRY  
PROHIBITING BRIBERY, BUT IN ALL COUNTRIES ENFORCEMENT  
OF SUCH LAWS IS DIFFICULT BECAUSE NATIONALITIES OTHER THAN  
THAT OF THE ENFORCING COUNTRY ARE USUALLY INVOLVED.  
ACCORDINGLY, THESE LAWS ALONE ARE NOT AN ADEQUATE DETER-  
RENT. FURTHER MEASURES, INCLUDING INTERNATIONAL  
COOPERATION, ARE THEREFORE NECESSARY TO CONTROL BRIBERY

ACROSS NATIONAL BOUNDARIES. THE UNITED STATES HAS ALREADY TAKEN SIGNIFICANT MEASURES TO CONTROL THE ACTIVITIES OF ITS COMPANIES ABROAD AND IS PREPARED TO DO MORE. BUT THIS IS AN INTERNATIONAL PROBLEM REQUIRING INTERNATIONAL ACTION.

PRESIDENT CARTER ATTACHES GREAT IMPORTANCE TO THIS ISSUE. HE HAS GIVEN HIS SUPPORT TO NEW U.S. LEGISLATION PROHIBITING THE BRIBERY OF FOREIGN OFFICIALS BY U.S. ENTERPRISES AND TO EARLY ADOPTION OF AN EFFECTIVE INTERNATIONAL AGREEMENT ON ILLICIT PAYMENTS.

IN THE UNITED NATIONS, GENERAL ASSEMBLY RESOLUTION 3514 (XXX-1975) CALLED FOR COOPERATION BETWEEN COUNTRIES LIMITED OFFICIAL USE

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PAGE 04 STATE 146971

AGAINST BRIBERY IN INTERNATIONAL COMMERCIAL TRANSACTIONS. IN IMPLEMENTATION OF THIS RESOLUTION, THE UN ECONOMIC AND SOCIAL COUNCIL ADOPTED RESOLUTION 2041 (LXI-SUMMER, 1976) WHICH ESTABLISHED AN INTERGOVERNMENTAL WORKING GROUP ON THIS QUESTION.

THIS WORKING GROUP, WITH THE ASSISTANCE OF THE UN CENTER FOR TRANSNATIONAL CORPORATIONS, HAS DONE VERY USEFUL WORK IN ANALYZING THE PROBLEM IN DEPTH. IT IS PREPARING A REPORT WHICH WILL INCLUDE POSSIBLE TEXTS FOR AN INTERNATIONAL AGREEMENT ON ILLICIT PAYMENTS. THESE TEXTS ARE WITHOUT PREJUDICE TO THE POSITION OF ANY GOVERNMENT. THE UNITED STATES BELIEVES THE TIME HAS NOW COME FOR ECOSOC, IN ITS JULY SESSION, TO TAKE THE DECISIONS NECESSARY TO ENSURE THAT THE INTERNATIONAL COMMUNITY CAN DEAL EFFECTIVELY WITH ILLICIT PAYMENTS. IN THE VIEW OF THE UNITED STATES, THIS REQUIRES A FIRM DECISION BY ECOSOC TO NEGOTIATE AN INTERNATIONAL AGREEMENT AND TO ESTABLISH THE MACHINERY TO DO SO. THE UNITED STATES, THEREFORE, PROPOSES THAT ECOSOC CALL FOR A DIPLOMATIC CONFERENCE IN 1978. RECOGNIZING THAT FURTHER PREPARATORY WORK WILL BE NECESSARY TO REFINE THE VARIOUS SUBSTANTIVE PROPOSALS UNDER CONSIDERATION, THE US ALSO PROPOSES THAT ECOSOC CONTINUE THE WORKING GROUP SO THAT IT MAY DO THE NECESSARY PREPARATORY WORK IN THE FALL OF 1977 AND THE SPRING OF 1978. ECOSOC SHOULD GIVE THE WORKING GROUP A CLEAR MANDATE TO DRAFT AN INTERNATIONAL AGREEMENT AND

ITS MEMBERSHIP SHOULD BE EXPANDED SO THAT ALL ECOSOC MEMBERS WHO WISH TO DO SO MAY PARTICIPATE. THIS WILL GIVE THE INTERNATIONAL AGREEMENT THE BROAD SUPPORT IN THE INTERNATIONAL COMMUNITY WHICH IT MUST HAVE TO BE EFFECTIVE. (END TEXT)

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PAGE 05 STATE 146971

CHRISTOPHER

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Enclosure:** DG ALTERED  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Reference:** 77 STATE 144233, 77 STATE 141733, 77 STATE 145005  
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**TAGS:** EGEN, EINV, UN, ECOSOC  
**To:** ADDIS ABABA ATHENS MULTIPLE  
**Type:** TE  
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**Review Markings:**  
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